

## EPA SmartWay Program – Overview

- EPA's Profile & Environmental Goals
- Smartway Snapshot
- Becoming a Shipping Partnership
- Getting Started – the FLEET Score
- Our Action plan
- Summary

An Overview of why DENSO joined the  
EPA's Smartway Partnership!

Staff Recommendation – Join Program

# DENSO Profile

- Large International Automotive Tier I Supplier
  - Site Location : Battle Creek, MI
  - Employees: 2700 (A) + 500 (T)
  - Total Grounds:  $\approx$  98 Acres
  - Floor Space:  $\approx$  1,100,000 ft<sup>2</sup> (main building)
  - Site Sales 2004:  $\approx$  \$1.3 Billion
- 

- Corporate Operations: 33 Countries
- Corporate sales FY 2004:  $\approx$  \$26.2 Billion



## DENSO's Eco-Vision

DENSO Corporate Environmental direction -

**Eco - Vision 2015** (Global strategic environmental plan)

The key “pillars” to the program ...

- Eco - Management (programs outside of our walls)
- Eco - Products (product & process design)
- Eco - Factory (efficient operations)
- Eco - Friendly (Community involvement)



The Eco-Vision program serves as the backbone  
for a Green Manufacturing system at DENSO

## Eco-Vision and Smartway ?

EV 2015 has 28 specific Global targets



Global and local requirements to reduce emissions



### *For Logistics ...*

- (1) Improve transportation and eco drive to reduce global CO2 emissions
- (2) Expand understanding of the CO2 inventory, to include transportation issues, including company vehicles, business trips, and others.

Is SmartWay a tool to help DENSO implement  
some of her Global Goals?

## EPA SmartWay

- **Goal: Improved environmental performance in freight delivery services**
- **EPA goals**
  - Reduced CO2 emissions
  - Improve energy security
  - Better relationship with the trucking industry
- **308 + SmartWay Partners (Jan. 2006)**

DMMI invited because of involvement EPA Performance Track (Stewardship) Program



# - *To become a Shipping Partner -*

## - **Sign the Partnership Agreement**

- Commit to ship enough of their goods with SmartWay Partners carriers to score 0.50 on the FLEET model, within 3 years.
  - ❖ DMMI current score approximately 0.19 (*revised to 0.29*)
  - ❖ Reaching 0.50 allows use of EPA's SmartWay Logo
- Reduce "Footprint" (Environmental Impact) - assess and commit to improve facility transportation emissions within 3 years:
  - ❖ DMMI already has some programs in place.
- Develop Annual Goals & Objectives, Action Plan
  - 1<sup>st</sup> G&O's due within 6 months

## *As a Shipper - Program Benefits:*

- \* Reduced Environmental Transportation Footprint
- \* Potentially **lower costs** for delivery services with improved logistics
- \* Demonstrate corporate citizenship by hiring cleaner carriers
- \* Enhanced public relations value for Partners
- \* Qualify to use the SmartWay Transport Partner logo
- \* Improved metrics to monitor shipping costs



**The Program is consistent with DENSO's corporate expectations in Eco Vision 2005 and 2015.**

# DENSO – Getting Started

## The FLEET Score

### Step 2. Complete assessment of your carriers

☐ Show Instructions for Step 2

For which year are you calculating the environmental performance of your operations?

2005

<http://www.e>

1

*No, a score of 0.19 does not qualify you to use the logo*

Carrier	Shipper's Total Mileage with Fleet (miles)	Shipper's Total Weight w/ Fleet (tons)	Custom Metric	# of Trips	SIF Score for Carrier	Shipper Score based on Miles	Miles per Trip (miles)	Weight per Trip (tons)	Custom Metric per Trip	Ton-Miles per Trip (ton-miles)
						0.19				
Behnke	1,398,000				0.00	0.00				
CFI	2,364,600				0.75	0.17				
DLF	45,000				0.00	0.00				
Fedex	36,581				0.75	0.00				
HAWKES	80,900				0.00	0.00				
OWL	276,000				0.00	0.00				
Panther	40,339				0.00	0.00				
RUSH	1,925,100				0.00	0.00				
STAR	2,277,350				0.00	0.00				
TRW	23,000				0.00	0.00				
Universal	1,495,800				0.00	0.00				
UPS	39,159				1.25	0.00				
USF	29,116				0.00	0.00				
Watkins	146,528				0.75	0.01				
Misc.	126,533				0.00	0.00				
<b>Total</b>	<b>10,304,006</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Score was later revised to 0.29 !**



# DENSO – Getting Started

Time Frame	Program Emphasis	0.5 FLEET Score Attainment
Year 1.	Awareness & Investigation	+ 10 %
Year 2.	Implementation	+ 30 %
Year 3.	Improvement	+60%



The Concept is ...

1. Emphasis on carrier involvement
2. Gradual improvements

# Proposed 2006 G&O's

## Action Items

- Company & Corporate Awareness
  - Improve awareness of EPA carrier system
  - Corporate Environmental Presentation
  - Corporate Logistics Presentation
  - Carrier Notification
  - Carrier Presentation / Luncheon?
  - Tier II Supplier Presentation
- Site Impact Reduction
  - Improve carrier mileage tracking systems
  - Implement site footprint committee
  - Footprint evaluation & benchmarking
  - Site idling reduction program



DMMI could achieve 0.50  
FLEET target if only 2 key  
carriers join the program

## Key members in the decision making process

**Purchasing**

**Production Control**

## Summary

### *DENSO Michigan joined SmartWay - Because ...*

- \* Consistent with our Corporate Environmental Directives
- \* We can reduce our Environmental Transportation Footprint
- \* Smartway carriers likely to become more competitive